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CURRENT MINNESOTA LABOR MARKET CONDITIONS

June 1983 Supplement to The Review of Labor and Economic Conditions

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Nation

Economic data for May indicated that the recovery that began in January is not only continuing but is becoming quite robust. Also, a very preliminary estimate of real gross national product suggested that second quarter growth will be much stronger than economists had expected.

Although the seasonally adjusted unemployment rate fell only 0.1 of a point to 10.1 percent in May, it has declined by 0.7 of a point since December. Total employment, also adjusted, rose 99,000 in May after a large gain of 355,000 in April. Even more significant was that seasonally adjusted nonfarm payroll employment, a reliable indicator of current economic health, climbed by a strong 374,000 in May following an increase of 273,000 in April. Payroll employment has grown by 800,000 since December.

Other economic developments in May are indicative of a widening recovery. Industrial production rose for the sixth consecutive month in May while retail sales climbed for the third month in a row. After declines in March and April, housing starts rose to their highest level in May since September 1979. Also, largely as a result of strong gains in wages and salaries in May, personal income grew by 1.2 percent, the steepest rise since July 1981. Moreover, consumer spending rose 1.4 percent in May after an increase of 1.1 percent in April. The recent strength in personal income and spending should lead to even further improvement in the economy.

State

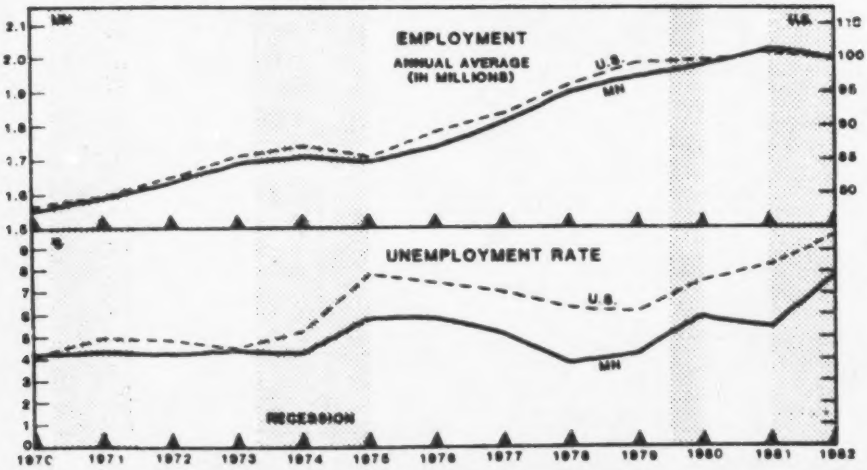
After showing little strengh during the first four months of 1983, the State's economy picked up noticeably in May. The unemployment rate fell more than it usually does in May and although total employment rose at a normal rate for May, seasonally adjusted nonagricultural wage and salary employment increased significantly in May.

The State's seasonally unadjusted unemployment rate declined by 1.1 percentage points to 7.9 percent in May. This drop in the rate was considerably steeper than the average April to May drop of 0.7 of a point. Total employment, also unadjusted, rose 2.4 percent in May, very close to the average May rise of 2.5 percent. Seasonally adjusted nonfarm payroll employment, however, climbed by 7,200 in May, the largest gain since payroll employment began its upswing in January. Nearly 60 percent of the May increase in payroll employment was in the construction sector. However, the growth in manufacturing employment has been very slow since December, indicating that a lot of adjustments are occuring in manpower utilization in the industry.

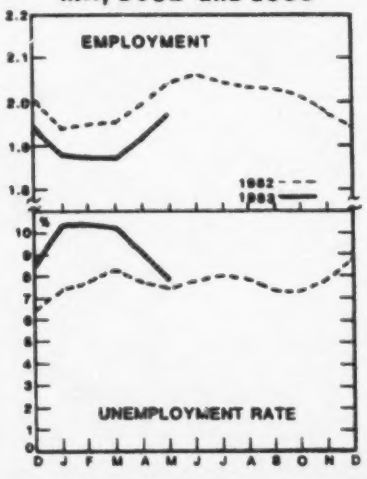
Other data suggest that the Minnesota economy will improve further in the coming months. Seasonally adjusted average weekly initial claims, an indicator of future unemployment, fell by 23 percent in May. However, this may be more attributable to work eligibility requirement of the law than significant gains in job opportunities. Meanwhile, building permits for private housing (seasonally adjusted) rose to the highest monthly rate since December 1980.

Labor Force Estimates	MINNESOTA (Numbers in '000's)			UNITED STATES (Numbers in '000,000's)		
	May 1983	Change From Last Mo.	Change From Year Ago	May 1983	Change From Last Mo.	Change From Year Ago
Civilian Labor Force	2145.5	26.3	-60.0	110.3	0.4	0.4
Employed	1975.8	46.9	-66.2	99.5	0.7	-0.4
Unemployed	169.7	-20.6	6.2	10.8	-0.3	0.8
Unemployment Rate						
Actual	7.9	-1.1	0.5	9.8	-0.2	0.7
Seasonally Adjusted	n.a	n.a	n.a	10.1	-0.1	0.6

MN and the U.S., Employment & Unemployment Rate



MN, 1982 and 1983



Minnesota Nonagricultural Wage & Salary Employment, Hours, and Earnings

INDUSTRY	EMPLOYMENT[1] (thousands)			PER CENT CHANGE FROM		PRODUCTION WORKERS' HOURS & EARNINGS					
						Average Weekly Earnings		Average Hourly Earnings		Average Weekly Hours	
	May 1983	April 1983	May 1982	April 1983	May 1982	May 1983	April 1983	May 1983	April 1983	May 1983	April 1983
TOTAL NONAGRICULTURAL	1706.4	1678.6	1733.1	1.7	-1.5						
MANUFACTURING	334.5	332.5	346.6	0.6	-3.5	371.45	365.57	9.50	9.52	39.1	38.4
Durable Goods	198.6	197.7	209.0	0.4	-5.0	378.10	367.44	9.50	9.47	39.8	38.8
Furniture, Lumber and Wood	13.6	13.4	12.8	1.2	6.0	398.27	381.33	10.16	10.17	39.2	37.5
Stone, Clay and Glass	8.4	7.8	8.4	7.9	-0.3	363.23	364.33	9.41	9.39	38.6	38.8
Primary Metals	4.8	4.7	5.6	1.1	-14.5	340.38	334.37	8.75	8.64	38.9	38.7
Fabricated Metals	32.0	32.1	33.6	-0.3	-4.8	418.59	409.37	10.31	10.39	40.6	39.4
Nonelectrical Machinery	76.3	75.9	83.4	0.5	-8.5	381.21	369.57	9.70	9.70	39.3	38.1
Electrical Machinery	26.0	26.2	26.3	-1.1	-1.5	340.57	325.26	8.43	8.34	40.4	39.0
Transportation Equipment	5.8	5.9	6.0	-0.6	-3.1	413.70	365.40	10.24	9.77	40.4	37.4
Other Durable Goods [2]	31.7	31.6	32.7	0.1	-3.2	357.78	358.58	8.90	8.92	40.2	40.2
Nondurable Goods	135.9	134.7	137.7	0.9	-1.2	361.95	362.88	9.50	9.60	38.1	37.8
Food and Kindred	43.4	42.8	44.0	1.5	-1.2	326.37	339.90	8.68	9.04	37.6	37.6
Textile and Apparel	4.5	4.5	5.3	-0.4	-14.6	230.58	224.93	6.30	6.39	36.6	35.2
Paper and Allied	32.0	31.8	32.6	0.8	-1.6	450.91	446.68	10.56	10.51	42.7	42.5
Printing and Publishing	35.1	35.1	35.3	0	-0.4	355.00	350.19	10.33	10.33	34.2	33.9
Chemical and Petroleum	9.4	9.3	9.1	1.5	3.2	403.92	409.22	10.20	10.36	39.6	39.5
Rubber and Leather	11.4	11.3	11.5	1.5	-0.3	304.24	296.11	8.07	7.96	37.7	37.2
NONMANUFACTURING	1371.9	1346.1	1386.5	1.9	-1.0						
Mining and Quarrying	9.5	9.2	12.5	2.3	-24.0	387.60	404.59	12.00	11.97	32.3	33.8
Metal Mining	7.5	7.7	10.7	-2.4	-30.1	395.63	420.34	12.64	12.51	31.3	33.6
Construction	58.8	49.0	60.0	20.1	-2.0	547.94	475.48	14.69	14.63	37.3	32.5
Building	15.9	13.7	16.6	16.0	-3.9	512.19	441.22	13.55	13.66	37.8	32.3
Highway and Heavy	10.7	6.4	9.8	65.8	9.4	472.08	361.91	12.23	11.17	38.6	32.4
Special Trades	32.2	28.8	33.6	11.8	-4.3	593.49	521.89	16.26	15.96	36.5	32.7
Transportation	61.3	60.3	61.7	1.7	-0.6						
Railroads	13.2	13.2	14.0	0	-6.2	526.50	526.50	11.25	11.25	46.8	46.8
Trucking and Warehousing	23.0	22.5	23.1	1.9	-0.7	429.43	421.50	11.83	11.84	36.3	35.6
Public Utilities	33.0	32.8	34.2	0.7	-3.4	476.67	478.28	12.16	12.17	39.2	39.3
Communications	19.0	18.8	19.9	1.1	-4.5	434.25	434.25	11.25	11.25	38.6	38.6
Elec., Gas and Sanitary	14.0	14.0	14.3	0.2	-2.0	523.77	528.12	13.16	13.17	39.8	40.1
Trade	430.2	422.1	435.2	1.9	-1.2	215.75	211.56	7.24	7.27	29.8	29.1
Retail	320.0	313.1	320.5	2.2	-0.2	172.07	167.05	6.28	6.28	27.4	26.6
General Merchandise	43.4	42.9	45.0	1.1	-3.7	166.28	158.87	5.96	5.95	27.9	26.7
Food Stores	45.3	44.5	44.6	1.9	1.7	208.29	204.52	7.36	7.41	28.3	27.6
Automotive	34.1	33.4	34.2	2.1	-0.4	257.75	251.68	7.22	7.15	35.7	35.2
Eating and Drinking	108.9	105.6	108.8	3.2	0.1	102.27	98.28	4.67	4.68	21.9	21.0
Wholesale	110.2	109.0	114.7	1.1	-3.9	368.43	365.31	9.67	9.69	38.1	37.7
F.I.R.E.	97.9	97.8	98.4	0.1	-0.4						
Finance	46.7	46.6	45.9	0.2	1.6						
Insurance	35.1	35.2	35.8	-0.5	-2.1						
Real Estate	16.2	16.0	16.6	1.1	-2.4						
Service Industries	389.4	384.5	383.6	1.3	1.5						
Hotel and Lodging	20.9	19.7	21.1	6.1	-0.9						
Business Services	57.8	56.8	55.8	1.7	3.6						
Health Services	134.5	134.6	131.4	0	2.3						
Private Education	24.1	24.4	24.1	-1.2	-0.1						
Soc. Serv., Museums etc.	82.2	81.6	82.4	0.7	-0.3						
Government	291.8	290.5	300.9	0.5	-3.0						
Federal	29.8	29.8	30.3	0.2	-1.4						
State	73.7	73.9	73.8	-0.3	-0.1						
Local	188.3	186.8	196.9	0.8	-4.4						

[1] Totals may not add because of rounding.
[2] Includes Scientific Instruments and Miscellaneous Industries.

Labor Force Data: State, SMSAs, and Counties

Area or County	May, 1983 Prelim. Labor Force 1/	Unemp.	Un. Rate
State of Minnesota	2145487	169727	7.9
Metropolitan Areas			
Duluth/Superior (Duluth City Only)	36432	4410	12.1
Fargo/Moorhead (Clay County, MN Only)	27792	1988	7.2
Minneapolis/St. Paul SMSA 2/	1149396	76139	6.6
Rochester SMSA (Olmsted Co.)	58009	3059	5.3
St. Cloud SMSA 3/	78175	7135	9.1
Counties			
Aitkin	5417	1046	19.3
Anoka	110126	8523	7.7
Becker	12496	1554	12.4
Beltrami	16200	1400	8.6
Benton	12074	1114	9.2
Big Stone	3990	261	6.5
Blue Earth	29138	1766	6.1
Brown	15439	1106	7.2
Carlton	12084	1596	13.2
Carver	20395	1191	5.8
Cass	10688	1188	11.1
Chippewa	7229	582	8.1
Chisago	14445	1114	7.7
Clay	27792	1988	7.2
Clearwater	4156	738	17.8
Cook	2291	336	14.7
Cottonwood	7671	488	6.4
Crow Wing	17334	1887	10.9
Dakota	106988	6364	5.9
Dodge	8350	713	8.5
Douglas	13695	1061	7.7
Faribault	10973	812	7.4
Fillmore	12608	915	7.3
Freeborn	17952	1411	7.9
Goodhue	19447	1402	7.2
Grant	3644	232	6.4
Hennepin	522417	34403	6.6
Houston	10014	637	6.4
Hubbard	5573	723	13.0
Isanti	10278	1065	10.4
Itasca	18132	2837	15.6
Jackson	8166	461	5.6
Kanabec	5692	657	11.5
Kandiyohi	18012	1340	7.4
Kittson	3386	280	8.3
Koochiching	7592	972	12.8
Lac qui Parle	6002	289	4.8
Lake	4741	1597	33.7
Lake of the Woods	1942	163	8.4
Le Sueur	11954	1212	10.1
Lincoln	3963	225	5.7
Lyon	14683	865	5.9
McLeod	16922	1305	7.7
Mahnomen	2988	329	11.0
Marshall	6632	883	13.3
Martin	14181	1038	7.3
Meeker	11085	1261	11.4
Mille Lacs	9014	891	9.9
Morrison	12904	1395	10.8
Mower	18147	1370	7.5
Murray	6303	411	6.5
Nicollet	14928	838	5.6
Nobles	11921	529	4.4
Norman	4725	283	6.0
Olmsted	58009	3059	5.3
Otter Tail	24934	2530	10.1
Pennington	6383	636	10.0
Pine	9800	1127	11.5
Pipestone	5759	265	4.6
Polk	16334	1873	11.5
Pope	5770	413	7.2
Ramsey	254925	16580	6.5
Red Lake	2381	384	16.1
Redwood	11130	677	6.1
Renville	11854	1076	9.1
Rice	23663	1933	8.2
Rock	5741	206	3.6
Roseau	5695	591	10.4
St. Louis (Inc. Duluth)	92683	16013	17.3
Scott	24444	1747	7.1
Sherburne	14590	1576	10.8
Sibley	8573	604	7.0
Stearns	51511	4445	8.6
Steele	17379	1291	7.4
Stevens	5989	301	5.0
Swift	6540	573	8.8
Todd	11983	937	7.8
Traverse	2949	194	6.6
Wabasha	9622	787	8.2
Wadena	5556	544	9.8
Waseca	9013	696	7.7
Washington	62503	3634	5.8
Watonwan	6924	573	8.3
Wilkin	4533	356	7.9
Winona	22256	2033	9.1
Wright	33148	2583	7.8
Yellow Medicine	7904	443	5.5

Technical Notes:

1/ Labor force data is computed according to BLS methodology. The method includes an adjustment to assure that the sum of the substate areas equals the separately estimated State total. This adjustment is Applied to all county and SMSA areas. County and area unemployment was multiplied by an adjustment factor of 1.51; employment was multiplied by 1.01. For a more detailed explanation see the Review of Labor and Economic Conditions, Vol. 4, No. 4, (February 1978 issue), p. 29.

2/ Anoka, Carver, Chisago, Dakota, Hennepin, Ramsey, Scott, Washington, and Wright Counties.

3/ Benton, Sherburne, and Stearns Counties.

Selected Minnesota Program Statistics

Characteristics of the Insured Unemployed

Tables 1 and 2 provide data on persons who filed a claim for unemployment compensation in Minnesota during the month. Only those claiming benefits from the regular State program are represented since data on the characteristics of Federal employees and veterans are not available.

Total claimants for unemployment benefits fell by 17,141 or 28 percent between April and May. The May decline followed a drop of 16,232 or 21 percent from March to April and was the largest numerical decrease for May since the unduplicated count of claimants first became available in 1977. Also, the May drop was the steepest percentage decline since May 1979. Claimants in construction accounted for half of the over-the-month decline in total claimants. Over-the-year, the total number of claimants decreased by 14,661 or 15 percent. The May drop from the year earlier was the third in a row. Half of the decline from a year ago was in claimants in manufacturing while about one-fifth of the decrease was among construction claimants.

Table 1. Distribution of Insured Unemployed, By Age and Sex, May 1983

Age Groups	Number	Percent Distributions		
		Men of Totals	Men of Men	Women of Women
TOTALS	44629	68.5	100.0	1.
Under 45	33822	69.6	77.0	73.2
Under 25	8711	69.3	19.8	19.0
25-34	16426	71.7	38.5	33.0
35-44	8685	65.7	18.7	21.2
45 and Over	10807	65.2	23.0	26.8
45-54	5964	65.2	12.7	14.8
55 and Over	4843	65.2	10.3	12.0

Table 2. Distribution of Insured Unemployed By Industry and Occupation, May 1983

Industry and Occupational Attachment	Number	Percent of Total	Percent Long-Term 1/ Unemployed	Women as Percent of Total
Total, All Industries	44629	100.0	33.2	31.8
Ag., For., Fish.	513	1.2	43.2	20.9
Mining	1444	3.2	26.0	3.8
Construction	7993	17.9	36.2	4.4
Manufacturing	13770	30.9	31.5	35.7
Pub. Utilities	2275	5.1	31.1	16.9
Wholesale Trade	3381	7.6	38.3	25.9
Retail Trade	6015	13.5	36.4	45.0
Fin., Ins., Real Est.	1182	2.6	39.2	58.1
Services	6719	15.1	29.9	52.9
Public Admin.	646	1.4	35.4	41.1
Inf. Not Available	691	1.5	7.1	35.1
Total, All Occupations	44629	100.0	33.2	31.8
Prof., Tech., Mgr.	5802	13.0	32.8	38.3
Clerical	5129	11.5	34.4	79.1
Sales	1928	4.3	36.5	40.7
Services	3311	7.4	35.0	53.6
Farm., For., Fish.	403	0.9	34.4	9.9
Processing	2740	6.1	21.1	35.1
Machine Trades	3346	7.5	33.4	15.2
Benchwork	3969	8.9	34.7	56.8
Structural Work	9829	22.0	35.0	2.2
Misc.	7622	17.1	32.1	15.0
Inf. Not Available	550	1.3	46.1	38.2

1/ Long-Term unemployed refers to unemployment insurance claimants whose current spell of unemployment has lasted 15 weeks or longer.

Job Service Applicant Supply and Demand

Table 3 compares Job Service (J.S.) job applicants with the J.S. job openings that existed at the end of the month. These comparisons are expressed as supply/demand ratios. Other things being equal, the greater the ratio of applicants to openings, the greater the competition has been for work within that occupational category. To put these ratios into context, the reader must remember that not only do job seekers and employers in general find jobs or recruit workers through other means, but those interested in certain kinds of jobs are particularly unlikely to use the J.S. For example, workers seeking professional and Managerial jobs are least likely to use the J.S., whereas employers usually recruit construction workers through union halls and hire teachers directly. Thus, the main value of Table 3 is that it reflects, for broad occupational groups, the relative labor market conditions that those using the J.S. encountered when seeking work.

Table 3. Experienced Supply/Job Openings Demand 1/

Occupation	Applicants (Supply) May 1983	Job Openings (Demand) May 1983	Supply/Demand Ratio	
			May 1983	May 1982
Total	102433	5254	19.5	10.7
Prof., Tech., Mgr.	12570	495	25.4	10.2
Clerical	17006	1097	15.5	10.2
Sales	4652	802	5.8	4.5
Dom. Services	1412	99	14.3	3.2
Other Services	14737	1013	14.5	5.8
Farm., Fish., For.	2681	56	47.9	53.3
Processing	2573	324	7.9	7.0
Machine Trades	7665	131	58.5	20.7
Benchwork	6111	156	39.2	20.8
Structural Work	15498	260	59.6	37.6
Mtr. Frght., Trans.	4832	117	41.3	17.9
Pkg. & Mat. Hndlg.	10989	667	16.5	11.7
Other	1707	37	46.1	26.3

1/ Inexperienced and improperly coded job applicants are not included in this table.